Delivering Performance Results to the Customer

Maxwell AFB a Case Study in Successful Performance Based Acquisition

Maxwell BOS Overview

- Background
- Business Strategy
- Acquisition Strategy
- Performance Results to date
- Plan for Recompete

BOS Background

- Started with AETC A-76 study 1998
  - Included 874 Government positions in multiple functional areas
- Conducted Market Research to support AETC A-76 business plan
  - Cross functional visits to 21 major US companies
  - Identified best commercial business practices for sourcing BOS type functions
  - Business Strategy based on observed best commercial practices

Market Research supported Business Strategy

- Commercial companies obtained better performance and savings when they consolidated BOS functional requirements into single contract
  - Support Contractor “owned” the performance outcome responsibility and was accountable for results achieved
- Measure and Manage performance outcomes
  - Specify performance outcomes and metrics
  - Hire an expert and strategic partner, give them flexibility to implement their best practices to manage the outcome, don’t specify the process
  - Gain insight into contractor performance, not oversight

Market Research and Business Strategy (cont)

- Cost plus incentive fee was the most common type of contract for BOS in commercial sector
  - Supplier drives cost down over time through process improvements
  - Promotes supplier-customer partnership by full disclosure and open book relationship
  - Flexibility in responding to emergency or crisis
  - Supplier generates additional incentive fee through continuous process improvement

Creating a Maxwell AFB "Commercial" Business Strategy

- Create a single BOS requirement
  - Single entity "Owns" responsibility and accountability for all key BOS performance outcomes supporting installation mission based on commercial model
  - Included 874 Government (A-76) positions
  - Included several existing small business contracts such as Housing Maintenance (approx 200 positions)
  - Requirements excluded for small business prime award
    - Refuse, Postal, Food Service, PMEL, Packing & Crating, Visual Information Services

MAXWELL BOS Includes

A-76 874 Positions

- Civil Engineering
- Communications
- Supply
- Community Services
- Airfield Management

Local Contracts = 200 Positions (Est)

- Family Housing Mx
- Vehicle Ops/Mx
- Transient Alert Maintenance
- Switchboard
- Custodial
- Elevator Maintenance

Maxwell BOS Acquisition Strategy

- Full and Open Competition
- Contract Type: Cost plus Incentive fee
  - Contractor required to bid a **“fixed overhead”** rate for life of contract
  - Proposed target fee is dependent on meeting three quality performance indicators
    - 30% Achieving 30% small business goal
    - 35% Customer satisfaction
    - 35% Performance results
  - Contractor generates Incentive fee through process improvements and performance which under runs target cost
    - Share ratio is 50-50

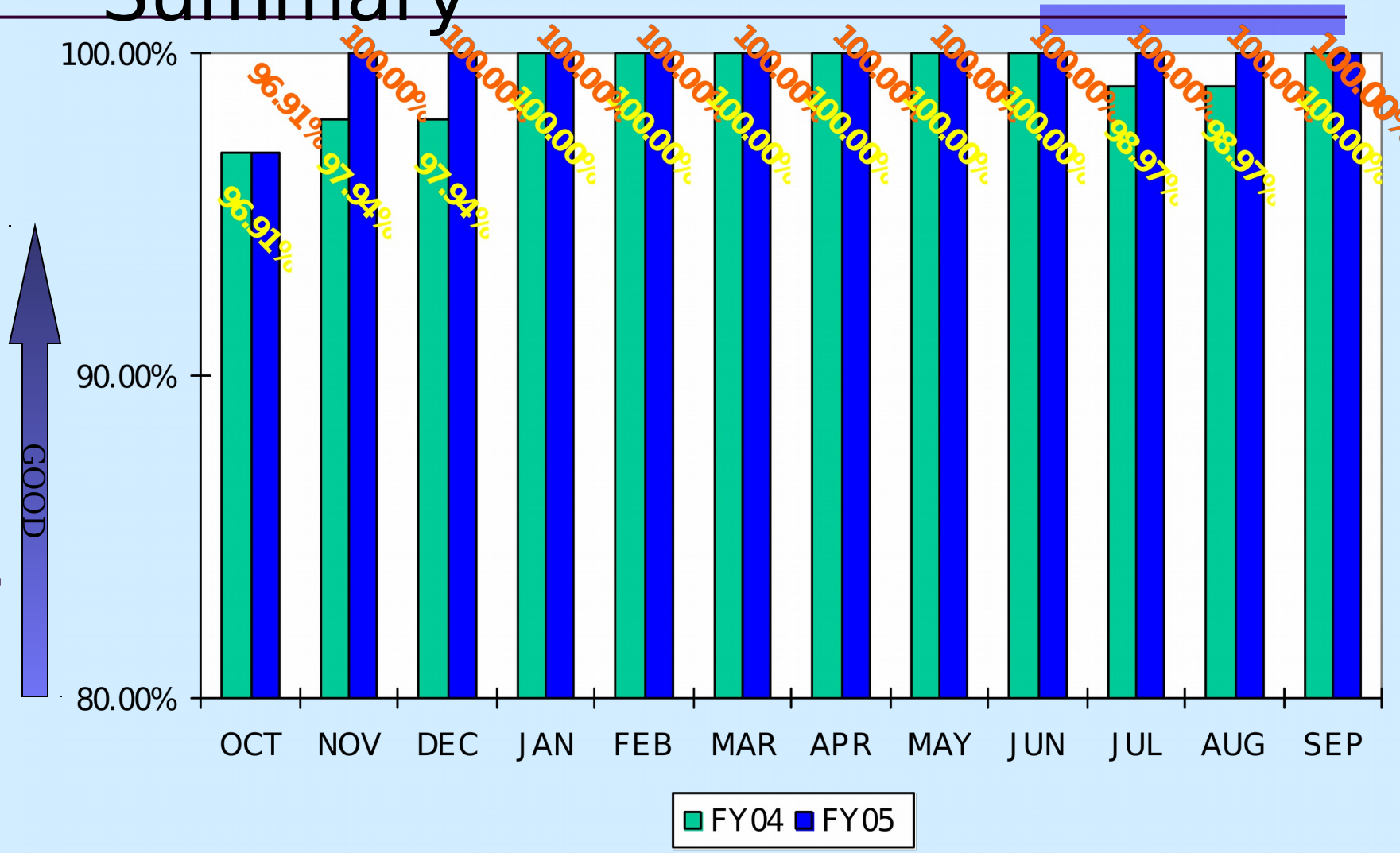
Acquisition Strategy

- Performance Requirements Document created based on performance outcomes and standards
- Performance Management Flight created to measure and manage performance outcomes
- Contract Awarded Oct 2001 (Protest delayed start)
  - June 2002 Transition and phase in
  - Oct 2002 Full performance started

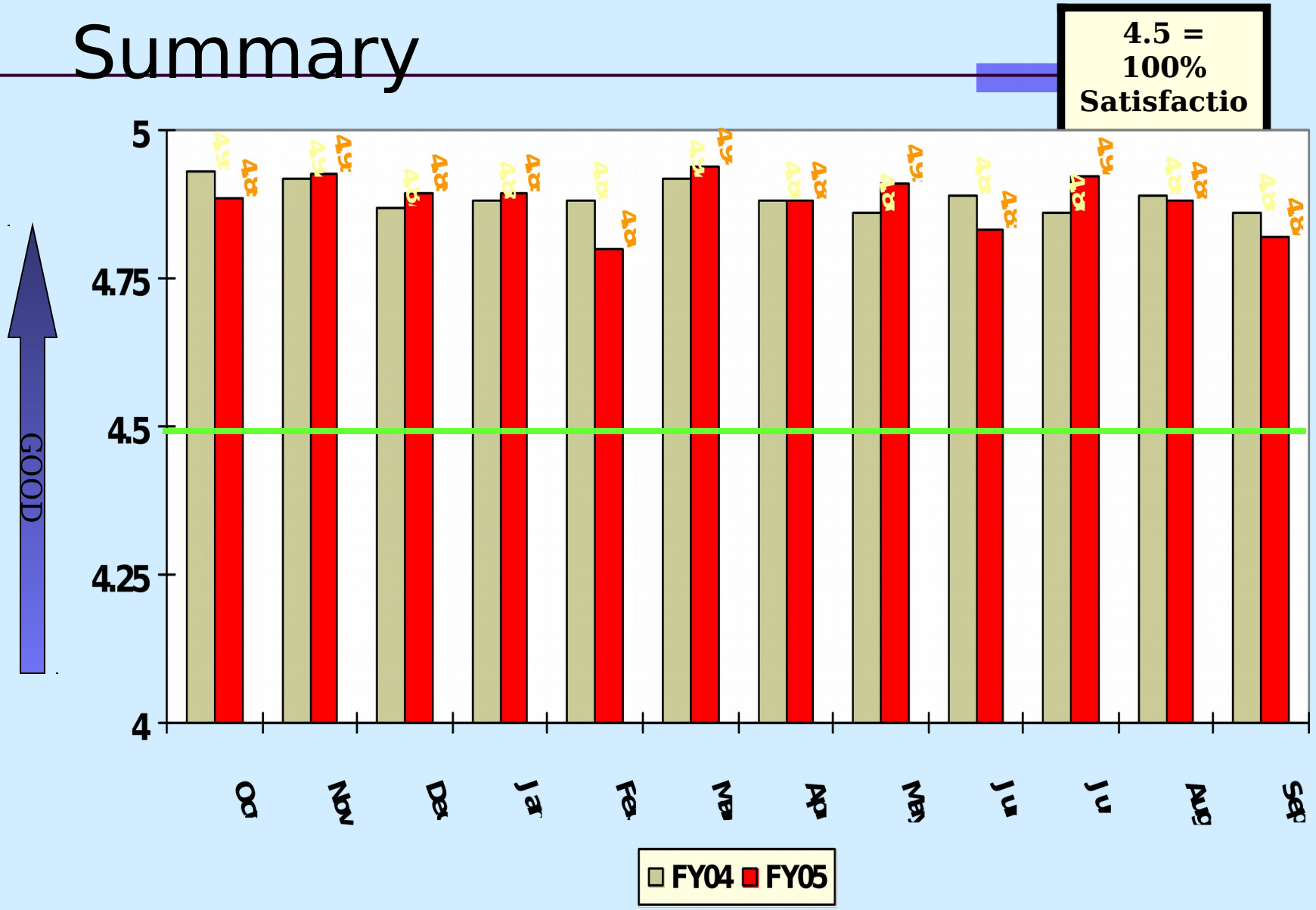
Performance History FY 03 to FY 05

	FY 03	FY04	FY05
Target Cost	$ 33,000,000	$ 33,580,768	$ 34,654,309
Target Fee	1,924,874	1,929,776	1,960,831
Total **Under run** Before 50-50 split	594,000	1,000,000	2,000,000(est)
QPI Factor	94.69	99.24	99.38
Final Fee (% of TC)	$ 2,117,000 (6%)	$ 2,411,310 (7%)	$ 2,942,474 (est. 8.5%)

QPI Performance Metrics Summary

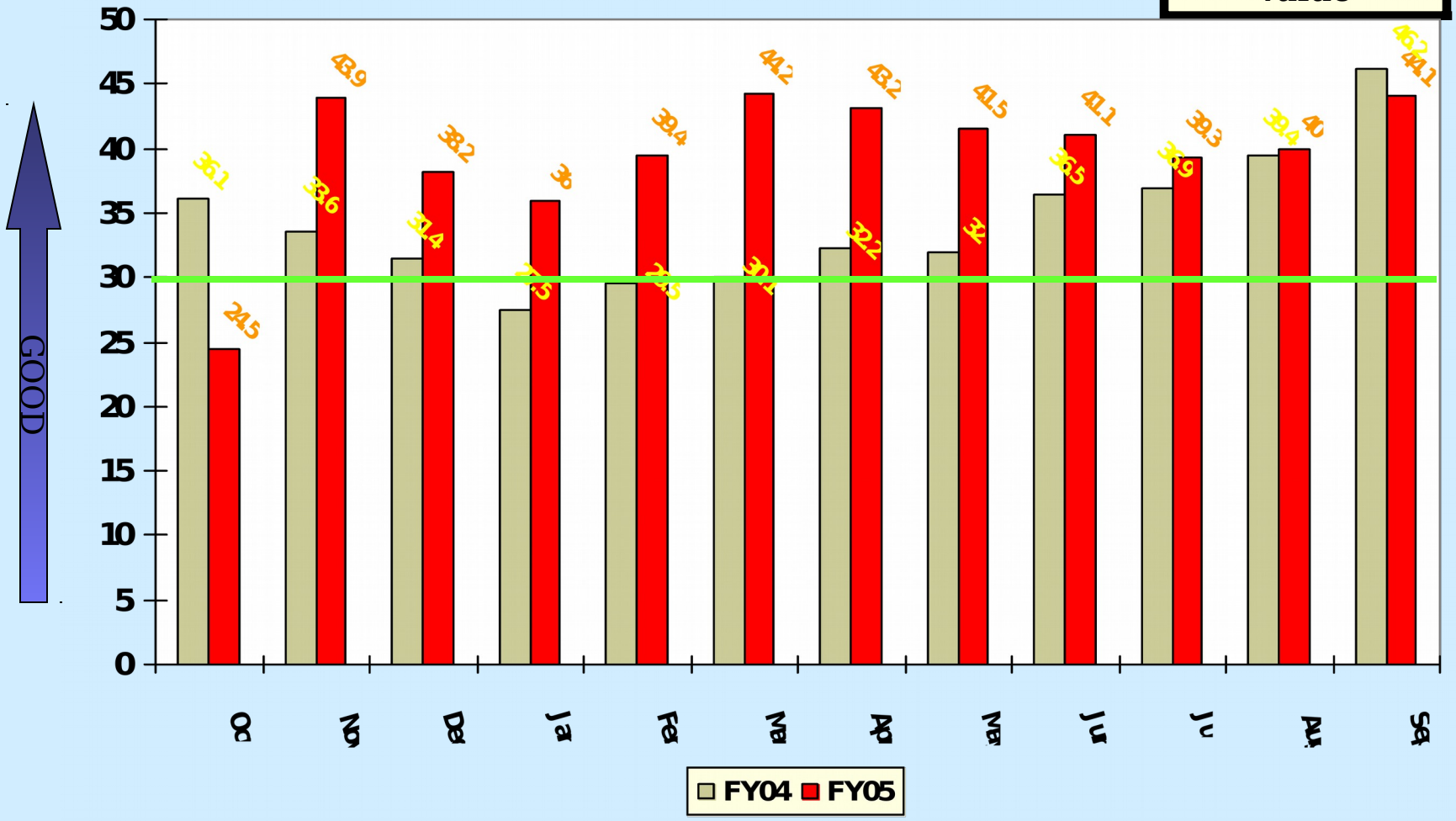


Customer Satisfaction Summary



Small Business Summary

Goal = 30% or Higher of annual dollar value



Performance Results

- Flexibility and Responsiveness to changing Mission needs
  - Presidential Visits
  - CORONA
  - Hurricane response
  - Air Shows
  - Other significant contingencies
- Visibility into performance and costs
- Proven ability to reduce cost without sacrificing performance through continuous process improvement

Manning drives performance and savings

- Approximate manpower involved in delivering current BOS contract requirements
  - 874 DOD civilian and military
  - 200 Contract employees on several contracts
  - 1074 Total Before A-76 study and BOS consolidation
  - 650 People employed on current BOS contract supporting the same service areas
- 424 position difference @ $35,000 annual loaded salary translates to $ 14.8 Million annual savings

Customer Service Feedback Overall

4.5 = 100%